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A business and marketing plan for the cleaning company Hardmakers Oy.

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**A business and marketing plan for the cleaning company
Hardmakers Oy**

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This study presents a business and marketing plan for the case company, Hardmakers Oy, which has recently changed management and requires a new strategy for the future. The methods explained and used in the study include Osterwalder's business plan canvas, interviews conducted by the author, and theory from various sources which describe the methods of implementing change in companies.

The study results show the business plan explained in the canvas. The change that the company has to make to reach the desired state for future growth is described, and methods are outlined that can be used to make these changes function in a running company. Psychological marketing is briefly explained and the need to take this into account is established. Interviews that were made with different-sized companies show the challenges that a company might go through in the process of increasing turnover. As a conclusion it is recommended that the management be clearly established and that the company be divided into sections managed by different marketing approaches.

Key words Business plan, marketing plan, Osterwalder, canvas, case study, benchmarking, organization, implementing change

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1 Introduction

To be a competitive company in the modern business world requires innovations, motivation, an apparent idea of the business and adequate financing. For the purpose of having a direction and a perspective on how to advance the state of a company a business plan is necessary. The aim of this thesis project is to provide a plan of action in general for the case company and to focus on the marketing aspect of the plan.

The thesis will review different marketing strategies for small and medium-sized companies; these can be applied both in Finland and globally. The focus is on service-oriented business, which is continuously in a growing curve in Finland as shown in Figure 1.

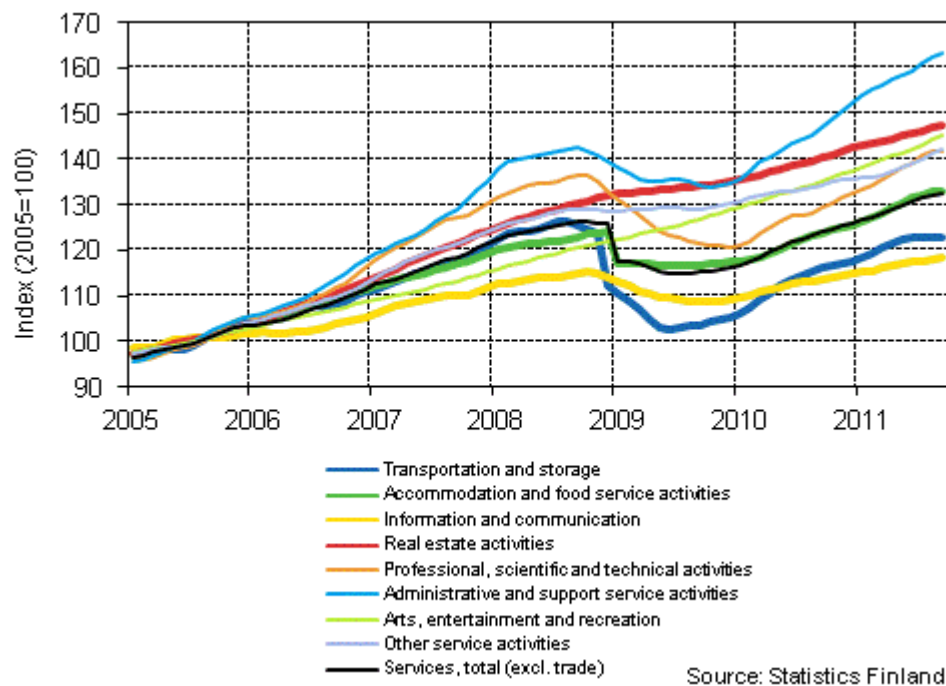


Figure 1. Turnover of service industries, trend series.

Businesses in the service sector have increased rapidly since the 2009 recession. Today in Finland the service area of GNP (Gross National Product) is over 65 %. In some developed industrialized countries in Europe the portion is higher. In the USA the service sector is even higher (Urrila 2005). It could be predicted that Europe will follow the trend in the USA.

Hardmakers Oy, the case company examined in this thesis, is a company specializing in cleaning services. It was established in 1990 in Finland. Although it has been operating for over 20 years now, it can be considered to be undergoing a renewal. The scale of the company has

varied and recently it has experienced a decline in turnover and the number of customers. In its current state it can be considered a small company with a need to grow in order to be profitable. The company has just recently changed management and is taking a fresh approach to the market.

The thesis will focus on creating an organizational plan for the company, also to review the current state and what there needs to be done in terms of the marketing and business plan. Osterwalders business plan model is introduced and applied. It is suitable for this project as single sections of it can be easily viewed and changed, so the company can use it also in the future when the situation is different.

In the theoretical part of the thesis the objective is to map out the need of a business plan and the importance of the vision, mission and values in regards to the marketing. In the thesis also the main focuses a company must take when applying new ideas will be considered. In the thesis it will come clear about the steps a company most often makes in the case of a small company increasing its customer base.

Marketing plan is an essential part of business. Marketing and its implementation is dealt with in the area of service business, especially in the cleaning business. Increasing number of enterprises and individual persons are outsourcing the cleaning tasks. This is one opportunity for new business opportunities.

For the result of the thesis there will be proposals of what actions can be made to have a strong organizational structure and business model to have as a foundation for future growth in the companys current state. The summary will also include the options the company has for the future once it can allocate more resources to marketing and other related actions. As the company is in a small form it is possible to make big changes fairly easily. For this reason the study will make a clear plan how to make the growing process fluent and combining tasks of different areas.

2 Methodologies

The case under development can be approached in a number of different means. According to the study the approach should be chosen. By choosing a suitable strategy to approach the subject with, the results will be more linked to it and simple to make. The development objective can be approached for example by case study or action research. In a case study the subject is studied about a specific area and this area is viewed in its actual environment. The case study explores a certain area deeply rather than the whole field vaguely. Case study is simply to produce information to back up desired change. (Ojasalo 2009, 51-53)

By the term action research is meant the research and development of work processes in a practical working environment. The purpose of it is to implement changes while reviewing them. The process of action research is possible to do from the point of view of the management to each employee. It is also seen as a tool for the process of professional learning and development. Action research is an internal process managed by the people who are directly involved in the problem it focuses on. (Kananen 2009, 9)

Case study research is good for the situation where the subject of the company is first understood and then suggestions of bettering the area of study are revealed. For example the relationships between employees and work are possible to attain by a case study. Commonly there is only one or few subjects approached in a case study. The subjects can vary from unofficial behavior to organizational structure. The case study is a research to examine a situation in-depth. The methods used are different depending on the researcher. (Ojasalo 2009, 53)

Case study is begun by acquiring information of the subject and determining what is relevant for the case. One important aspect is to find similar situations in theory to what the case study is aiming for. Commonly it is so that the subject needs to be thoroughly investigated before it is found what areas are relevant for change. It is possible that while investigating the subject the actual case that was supposed to be studied is not as relevant as another that arises during the research, then the case study needs to be modified. The usual process of a case study is shown in Figure 2. (Ojasalo 2009, 54)

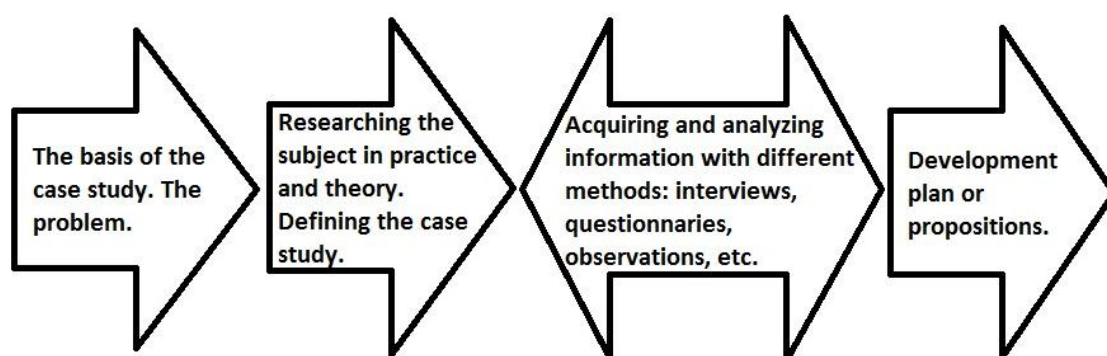


Figure 2. Case study research phases. (Ojasalo 2009, 54)

In case study a common aspect is to use different methods to approach the subject. The focus is to establish a holistic view of the subject by combining research methods. Interviews are common as case study research methods for the reason that the subject is often about people's actions in a situation. Interviews are a flexible research method, especially in a case study where the subject can be redefined with discovering of new information. (Ojasalo 2009, 55)

Methods that will be used to apply the theory into practice are the know-how of the current management, interviews with people who have gone through a similar process, e.g. entrepreneurs. Possibilities to put into action immediately would start from approaching one market. Then after the confidence of knowing what one market area needs and is interested in it will be easier to approach others.

In the case of qualitative interviewing, researchers talk to those with knowledge or experience with the problem of interest. Research provides information in detail of the experience, motives, and opinions of other perspectives of the world than their own. Interviews are more one sided than conversations, as the interviewee provides answers to the questions of the interviewer. The interviewer keeps a record of the conversation. Responsive interviews, a qualitative interview method, focuses on a single topic and explores it thoroughly. (Rubin 2012, 3-5)

Qualitative interview the research focuses on reconstructing and understanding what happened compared to ordinary conversations where the outcome is usually the point of issue. Qualitative researchers are likely to look at events as they unfold over time, to find causes, consequences and patterns. Overall, qualitative interviewing requires respect for and curiosity about peoples experiences and perspectives. The idea is to have the ability to understand and clarify what the interviewees are saying. (Rubin 2012, 6)

3 Knowledge base

3.1 Why create a business plan

A business plan is a written plan of the undertaking the entrepreneur has intended to make. It includes operational and financial details, marketing possibilities, strategy and the expertise of the management. The plan cannot be copied or take shortcuts, but it has to be done objectively and honest to one self. It is like a roadmap for a successful company. Without a map it is easier to get lost than when following a map. If and when the plan does not realize in the intended fashion, it is easier by analyzing it to take a new direction then by not having that reference to analyze. The plan is also written proof that an entrepreneur has done the proper preparations for starting to run a company. (Passila 2009, 93-94)

According to Pynnönen (2008, 31) the framework should be simultaneously holistic and informative to be able to explain the change. Most frameworks include a built-in assumption that change in some part of the system creates a completely new business model. To take

change into account in the business model it has to be more than a descriptive framework and to allow the adjustment of the parts of the system dynamically.

In creating the business plan or strategy, the business model can visualize the actual process to be taken into speculation. In this thesis the business model concept of Osterwalder's canvas has been chosen because it is simple to edit and apply changes in a single area. It is easy to read sections without having to take into consideration the whole business plan.

3.2 Business model

Business model is the foundation on what the business is based. This is visualized in the business model canvas, see Figure 3. The canvas is a strategic management template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's value proposition, infrastructure, customers, and finances. The business model describes the rationale of how an organization creates, delivers, and captures value. The business model canvas is based on nine basic building blocks that show the logic of how a business intends to make money. (Osterwalder 2010, 14-15)

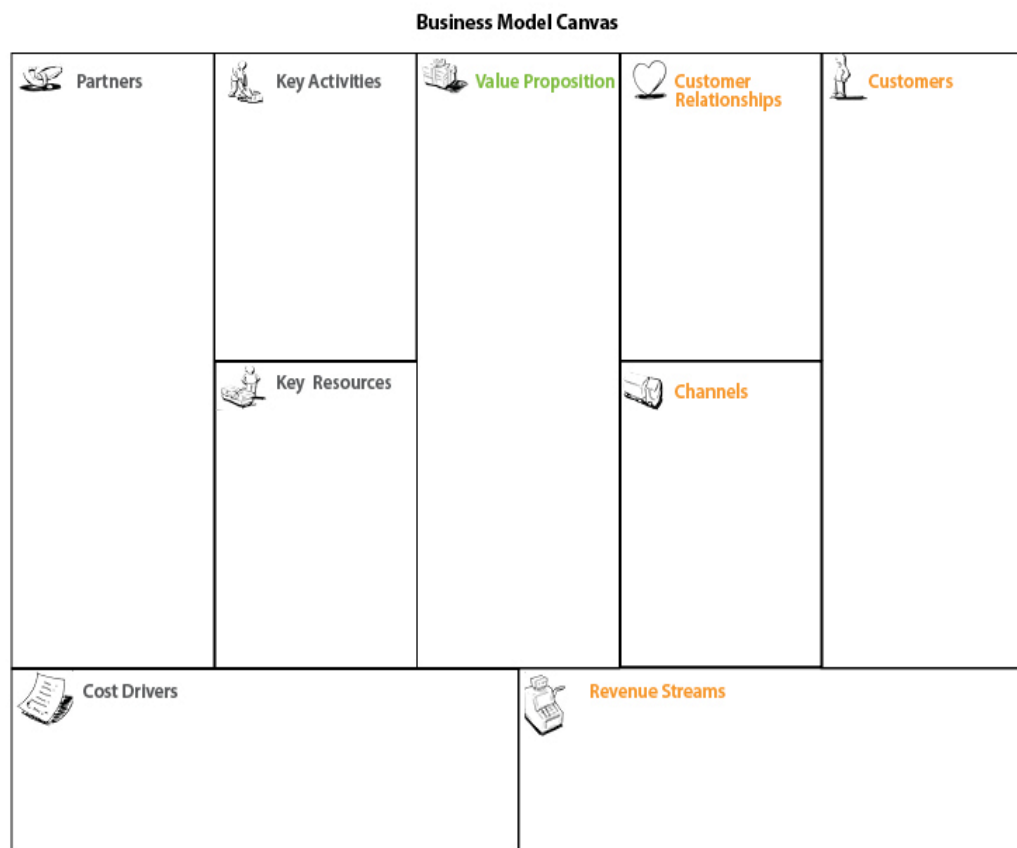


Figure 3. Business model canvas. Infrastructure is in black, offering in green, customers and finances in orange.

The business model canvas by Osterwalder (Figure 3) is based on the similarities of a wide range of business model conceptualizations. The book has taken into account the input of hundreds of entrepreneurs, designers and visionaries who have participated in the business model generation hub online. The main areas of this business model are based on infrastructure, offering, customers and finances.

The business models infrastructure includes key activities, which are the most important things a company must do to make its business model work. It also includes key resources, which are the most important assets required for the business model. These resources could be physical, financial, intellectual or human. The infrastructure also includes the partner network, which is a network of suppliers and partners that make the business model work. The partnerships can be strategic alliances between non-competitors, coopetitions or strategic partnerships between competitors, joint ventures to develop new businesses, or buyer-supplier relationships to assure reliable supplies. (Osterwalder 2010, 34-38)

The offering in a business model is based on value proposition, which describes the bundle of products and services that create value for a specific customer segment. According to Osterwalder, a company's value proposition is what distinguishes itself from its competitors. It provides value through various elements such as newness, performance, customization, "getting the job done", design, brand/status, price, cost reduction, risk reduction, accessibility, and convenience/usability. It is possible for the value proposition to be quantitative in the form of price and efficiency, or qualitative in the form of overall customer experience and outcome. (Osterwalder 2010, 22-25)

In the business model the part of customers is categorized to three parts. The first being customer segments, which defines the different groups of people or organizations an enterprise aims to reach and serve. In order to better serve the customers a company may group them into distinct segments with common needs, behaviors, or other attributes. Different types of customer groups include mass market where the business has no specific segmentation. Niche market, where segmentation is based on specialized needs and characteristics. Segmented, where most basic needs are similar, but the company applies additional segmentation based on for example gender, age or income. Diversity, where the business serves multiple customer segments with different needs and characteristics. And multi-sided platforms/markets where the business will serve two or more interdependent customer segments, for example a credit card company providing services to holders and simultaneously assisting merchants. (Osterwalder 2010, 20-21)

The second part regarding customers is the channels. A company can deliver its value proposition to its targeted customer segments through different channels. The company's interface with customers comprises of communication, distribution, and sales. An organization can reach its clients through its own channels, for example webpage, or partner channels, for example major distributors, or a combination of both. In the cases the channels can have up to five phases; awareness, by which awareness is raised about the company and its services; evaluation, to help customers evaluate the organization's value proposition; purchase, to allow the customer to make purchases; delivery, to deliver the service; and after sales, for post-purchase support. (Osterwalder 2010, 26-27)

The third part of recognizing the customer category is the customer relationship, which describes the types of relationships a company establishes with specific customer segments. Customer relationships include; personal assistance where assistance is based on human interaction in a form of employee-customer interaction; dedicated personal assistance where a sales representative is assigned to handle all the needs and questions of a special set of clients; self-service where the company provides the customer with tools to help themselves; automated services being similar to self-service but more personalized; communities where creating a community allows for direct interaction among different clients and the company and the connections between community members allow to solve each other's problems; and co-creation where the customer co-creates value for the services. (Osterwalder 2010, 28-29)

Finance in the business model includes cost structure which describes all costs incurred to operate the business model. Some businesses can be cost-driven, so the business model focuses on minimizing all costs. Businesses can also be value-driven where the business model is less concerned with cost and focuses on creating value. The characteristics of cost structures are fixed costs which are unchanged; variable costs which are proportionate with the volume of services produced; economies of scale where costs go down with larger production, and economies of scope where costs go down due to larger scope of operations. (Osterwalder 2010, 40-41)

Finances also include revenue streams which represent the cash a company makes from each customer segment. Revenue streams can be ongoing or one-time payments. Ways to generate revenue streams include; asset sales by selling ownership rights to a product; usage fee by using a particular service; subscription fees where a continuous access to a service is sold; lending/renting/leasing where temporarily granting exclusive rights in return for a fee; licensing where revenue streams are generated by giving customers permission to use protected intellectual property in exchange for licensing fees; brokerage fees where intermediation on behalf of two or more parties creates revenue streams; advertising also creates revenue streams from advertising fees. Pricing can be fixed where it's based on predefined prices or

dynamic pricing where the prices change based on market conditions. (Osterwalder 2010, 30-33)

3.3 Benchmarking theory

Benchmarking is the process of determining who is the very best, who sets the standard, and what that standard is. In business benchmarking can be done for example the best sales organization, most responsive customer service department, or leanest manufacturing operation. Benchmarking is done to compare the organization to the standards. It is an optimal way to compare the company with competitors. Now benchmarking can be applied almost anywhere, it is used as a management tool. Once it is decided what to benchmark and how to measure it, the objective is to find out how the top standards have been achieved and what it is that the company needs to do to get there. Usually, benchmarking is part of a larger effort, of making processes more efficient and can be directly applied in action research. (Reh 2003)

The objective of all organized activity is to create value that exceeds the cost required to achieve it. The value is achieved by efficiency and productivity. These factors can be evaluated with benchmarking by comparing the processes and methods used. The efficiency of a product is measured by comparing the price per product to the value that the customer sees in it or similarly the quality that it provides. For example, a low cost product is not necessarily efficient due to the price it can be sold at is also low. Productivity is important in benchmarking as it should directly affect the costs of a product. The learning curve is applied in productivity with the idea of having a routine done more makes it faster and more productive. The process is pictured in Figure 4. (Karlöf 1993, 12-18)

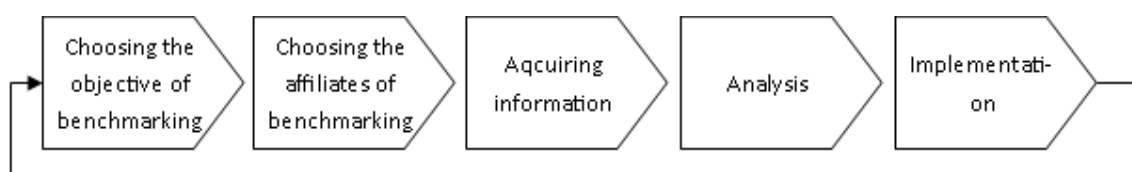


Figure 4. Benchmarking process. The process is continuous and the cycle is enhanced each time over depending on the circumstances surrounding the objective.

The first step in benchmarking is choosing the objective. It can be, for example, the quality perceived by customers or productivity of the product and what are the critical factors influencing to the comparing processes being made excellent. The objective of benchmarking can be any activity performed by the organization. It can look at the management, raw materials, working processes, or even capital. (Karlöf 1993, 92)

Finding affiliates is challenging because of competition. The affiliate should be as close to the field of work as the organization completing the benchmarking. A good affiliate represents the top of its field. Acquiring information needs to be direct and precise. The information can be quantitative, but it can also collect information about the processes of work and describing the actual job. Anything that helps to clarify the big picture is added here. (Karlöf 1993, 93)

The fourth phase is the most challenging as it should be the most creative and analytical phase. The analysis of the benchmarking defines similarities and differences and their influence in the work. The factors that can be compared and the factors that cannot be need to be separated to make results realistic. The fifth phase leads to actions taken to better the implementation of processes enhancing the profits. It develops the organization and enhances the focus on performance. According to the benchmarking deficits showing the opportunity for improvement the organization can make realistic targets. The targets need to be made to parts and then applied in the necessary areas. The benchmarking process includes making and meeting the targets. (Karlöf 1993, 94)

3.4 Vision, mission and values

Mission and vision are used to state the extraordinary and exceptional. The obvious statement of who are the customers and what is the business we are in is old and does not create anything special in the company compared to competitors. (Say 2005)

Mission and vision evolve and grow with the company. They can be related to management and leadership. People inside and out of the organization should speak and be passionate of the mission and vision of the company. The vision is where the company sees itself in the future. It is the direct evolvement of the mission completed in the best manner. (Say 2005)

Throughout history the most memorable leaders have been visionaries. The best examples come from political figures like Martin Luther King with his speech "I have a dream" uniting Afro-Americans in the United States. It has been one of the most significant visions in history. For an entrepreneur the vision is a way to express the values and beliefs to the employees and public. Most companies that can be found in the Internet have their vision and mission in their websites. In a study of 500 companies over half of their leaders stated that the vision is most important in gaining a competitive advantage. It helps to give freedom to the employees in daily activities by emphasizing the fundamental values in the bigger picture. (Passila 2009, 33-34)

The mission statement is the entrepreneurs own view of the company regarding how it should develop and what it represents. It is a broad overview of the purpose of the company and defines the path the company follows. (Passila 2009, 98)

Certain points are necessary for reaching the mission. To realize the mission and vision the company should seek the best employee for each position, build team spirit and create a sustaining employee motivation in the workplace. Managers should pay as much attention to their internal affairs as to their customers. This is because the employees bring the brand to life. (Popov 2012, 12)

3.5 Different types of strategies

According to Passila (2009, 42) to accomplish the mission, objectives and goals a business needs a strategy. The purpose of the strategy is to present tools to complete the plans. The plan should be detailed and well integrated to be efficient. Successful companies do not challenge the positions of their biggest competitors, but rather find their segment in the market and attempt to enter the market undetected by the competition. In Finland this can be found to be quite difficult as businesses are quite well aware of their market. When choosing the strategy there are a number of different ways to go, but they all still fall in three major categories, which are price leadership, differentiation, and focusing.

As a strategy price leadership means cost efficient production in products and services alike. Customers are attracted with the best price. This works when customers are only looking at the price, for example in markets where the product is so standardized that the only real difference between the competitiveness of products is the price. (Passila 2009, 42)

A company attempts to stand out from competitors by designing products and services by being customer oriented or differentiation. In other words the company provides something that the customers want and what competitors cannot or do not want to offer. As a general rule developed countries and large markets support differentiation. (Passila 2009, 42)

Understanding the statement that all markets are not the same is focusing. Markets are formed from different customer segments, where the needs and demand structures change. The main purpose of this strategy is to choose one or more customer segments and focus the product to be suitable and preeminent. Focusing requires the company to find suitable customer segments and ability to design products suitable for them. (Passila 2009, 43)

3.6 SWOT analysis

The key process used in a situation analysis is a SWOT analysis, a strategic planning method used to evaluate the strengths, weaknesses, opportunities and threats of a project or business venture, see Figure 5. By identifying the factors you can then exploit the strengths, overcome weaknesses, grasp opportunities and defend against threats. (Westwood 2010, 30)

| | |
|---|---|
| <p><i>Strengths</i></p> <p>Evaluate strengths of internal origin. Helpful for your business.</p> | <p><i>Weaknesses</i></p> <p>Evaluate weaknesses of internal origin. Harmful for your business.</p> |
| <p><i>Opportunities</i></p> <p>Evaluate opportunities of external origin. Helpful for your business.</p> | <p><i>Threats</i></p> <p>Evaluate threats of external origin. Harmful for your business.</p> |

Figure 5. SWOT analysis.

3.7 Organization

It is important for a company to have a functioning organization. In the company responsibilities should be clearly defined and the organizational structure should be simple. By simple it is meant the company should have a small amount of levels from the top management to employee: CEO, managers and operations personnel. The organization must be flexible and able to react to new and changing situations in business. The company should be prepared to change its organization several times during the first years of operation. The organization is ready to act when the size of the company's comprehensive feature sets have been defined. The company should be careful not to stiffen its operations by dividing responsibility and having a formal organizational structure. It should be ensured that actions in different parties are towards the same direction, and if necessary, people can cover each other's work at short notice. (Passila 2009, 44)

Main tasks of the management include strategic planning, development of skills, setting and following up on objectives, and measuring as well as ensuring the preparation and monitoring of results. The tasks also include significant internal and external communication issues. The management should also focus on the strategy to continue processes that update the view of resources and competencies. (Makkonen 2011)

In an effective organization it is ensured that there are people responsible for important areas. In a small company one person may be responsible for all areas. Important areas include; key customers, stakeholders, development and production processes, sales, marketing and communications, economics, finance, IT systems, material management and logistics. (Makkonen 2011)

3.8 Marketing plan

3.8.1 Marketing

The common classification used and taught in marketing, the four Ps, was considered to be born in 1960 when the prominent marketer E. Jerome McCarthy proposed it. It is still widely used by marketers throughout the world. Over the last century marketing has gone through many changes and it is clear marketing in the twenty-first century will need to incorporate many changes resulting from changes in demographics, values, technology, ethics and a more globalized society. The four Ps; product, price, promotion and place concept has helped, and will continue to do so, as it does take into account the various elements of the marketing mix. (Ranchhod 2004, 194)

Marketing has to have a high profile in the company and needs to embrace a holistic view. The argument is that companies are coming more customer-oriented or customer-centric. Being customer oriented is not simple and needs to take advantage of technology and information systems in a large scale. It can be considered better for growth that information systems can rapidly transfer data; the range of customer information can be made available at any place, any time, in a split second. On the other hand these opportunities cause for challenges for companies to form their processes and develop their organizational structures. (Ranchhod 2004, 194-195)

Considering the four Ps, it is not a straightforward issue, as the marketing mix is no longer static; the place is not a fixed location. Promotion is not only on the product, but needs to convey the whole brand. Pricing structures may vary and need to take into account seasonal changes, and other factors. Even the product is not simply what the companies choose it to be. It can be tailored to suit individuals. So, the marketing has to have a wide approach to the market and focus on the direct demands of the customers. (Ranchhod 2004, 195)

In determining the success of the marketing strategy, the sales force plays an important role. The role is changing from maximizing sales and dealing with the purchasing department to focusing on customer relationships and acting as account managers. The change is roughly said to go “from hunter to farmer” while automatizing the actual sales processes. In improving sales force performance includes developing sales to new customers, increasing them to

existing ones, increasing account control, strengthening long-term customer relationships, controlling sales costs, improving customer focus and countering competitive activity. (Linton 2011, 113)

3.8.2 Psychological marketing

In marketing there can be considered to be two schools. First is about selling products to customers. Here the product is the main focus and mainly details about the product are told to the customer. The other is how to influence a person. Here one tries to give a person necessary motivation to act according to the sellers favour. In modern age the latter is a dominating way of initiating and doing business. These two marketing principles are shown in Figure 6 where the two principles are named product based and people based. (Rope 2003, 20)

| Product based model | People based model |
|--|--|
| Selling a product | Person is the buyer |
| Product needs to be sold | Person needs to be motivated to buy |
| Product specifications matter | Attractiveness of the product is crucial |
| There is a need for this product | Need is generated in the person |
| Characteristics of the product are based on choice | Product as an apparatus matters |
| Good product always sells | Person needs to be motivated to want |

Figure 6. Selling a product by Product based model or by People based model. (Rope 2003, 354)

Interaction with the customer as a person is challenging and to the seller it can be planned only up to a certain level. Individual features become very important when good or excellent sellers are in question.

One of the first and at the same time a quite important marketing decision that needs to be made when starting a company is the name with which the company will become known. The name can be either association based or a tabula rasa name where it is not based on any association.

The association based name can also be considered from many points of view including location based, for example Lauttasaaren optiikka. It can be person based, for example Timo Vähälä Oy. It can be industry based, for example Kotkan Konepaja Oy. It can be ideology based, for example Keikyän Luomutuottajat. Or it can be institutional, for example Suomen Selkäinstituutti.

When thinking and planning about the name it is essential to decide what kind of picture is wished to be portrayed about the new company or the new product, so that the name given is not creating negative or not-wanted associations in the long run when the company image is built.

It is a common thought that the name does not improve or worsen the company or product. The naming process can be compared to naming a child. After the product is born it needs to be named. The name will separate the product from the neighbors product, so naturally it should be distinguishable and such that does not bring ill thoughts about it.

The idea of the tabula rasa name is simply to be a separator of other products. In this approach to a name it should be considered that some letters or combinations of letters will create different kind of associations. The letters do differ in the minds of different people in the psychological aspect.

In marketing some letter are considered strong letters. In the Finnish language B, C, D, F, G, Q, X and Z are strong letters. These are the alphabets that are not the common letters in Finnish words. These letters are consciously used when creating a brand name. As an example the new bathroom brand Zacus creates a completely different association than if it would be Sakus. (Rope 2003, 183-184)

To fulfill the minimum expectations of the customer is an essential task. If even one of the expectations is not acceptable the deal goes to another company. It is not enough to be excellent in one corner while being poor in another corner. Only after the minimum expectations have been met the company should compete for customers in the market. An important ability is to be able to distinguish the differences between the expectations of a customer and a seller and give weight to the expectations of the customer. A lost customer is very hard to get back. This competition area is shown in Figure 7. (Rope 2003, 353-354)

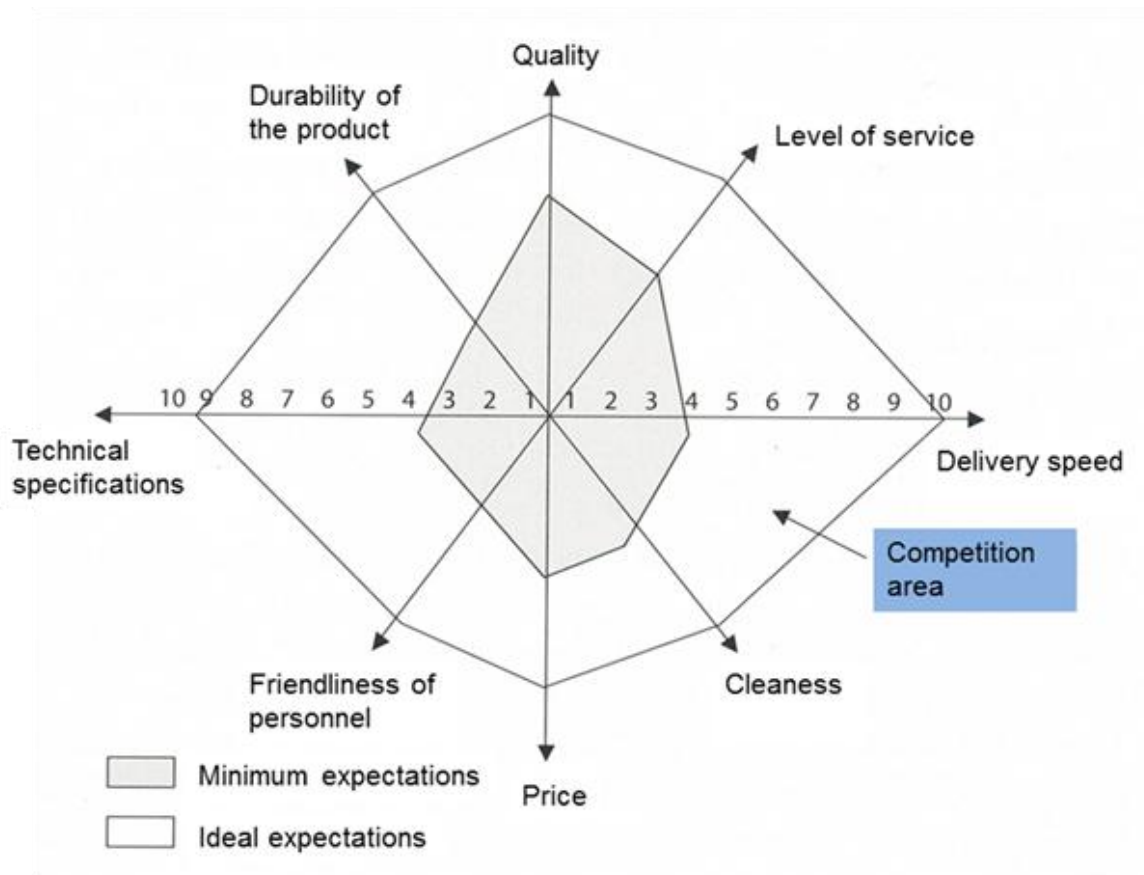


Figure 7. Competition area defined by minimum expectations and ideal expectations. (Rope 2003, 353)

4 Case: Hardmakers Oy

4.1 Current state

The expertise of the business is focused around cleaning services. The objective is to have an expertise to cover all services around cleaning. Founded in 1990 the company has gone through various phases. It has had a turnover of around 200 000 euros yearly. Currently the company is having enough business to cover the essentials of book keeping, insurance and small expenses.

4.2 Long-term goals

To review the whole situation of the company currently and to create check points for the future on how the growth would ideally evolve. The amount of customers is the main issue at its current point. The company has had a stage of success in the past and it is a matter of

marketing to get back to this. The market has, however, changed with more competitors and cut-backs in the buying departments of the customers. As stated in the introduction, real estate activities is a growing market section regardless of the economic situation and in Finland it can be considered that service section of the annual turnover has not nearly reached its potential. So, it is still viable to commit to growing the company.

The next checkpoints include creating more customer contacts, founding an office, increasing marketing and building the brand. Founding a base of operations is important for effective marketing to be possible. Also, then increasing marketing is easier to build. In the interview with owner of Rex Partners, who said, that if they were to start today it would be easier to focus on the specific needs of customers rather than trying to bring a new product or service to the market. Based on this Hardmakers should focus on enhancing and keeping a clear atmosphere for businesses, and private customers alike, to have the premises to be able to perform their own expertise by not having to think too much about small things that can be easily and cost effectively outsourced. In dealing with construction site cleaning, the main contractors often hire externally from employee renting services their small help, for example for clearing the yard or normal construction helpers jobs. Hardmakers has the required authorization to offer also construction help, as the workers do not need any special diploma than what they would need to clean there already, a work safety card.

The company needs to have more customers to be able to hire more workers and to expand. After new customers are acquired, the profits can be invested into uniforms, new machines, repairing existing machines and possibly a company car. The marketing has to be done at this point with a minimal budget, but after it is economically possible, it would be the next investment. In terms of turnover customer amount is important and for that marketing is the key to get them. Meanwhile, the brand will be enhanced to have the logo and website ready for a higher visitor amount.

4.3 Business model currently

Hardmakers is a limited liability company (Osakeyhtiö). This type of model can be good for growing and maintaining employees. Often cleaning companies are also registered as trademarks (toiminimi) which is a viable option in case the work is mostly done by the owner. In the case of Hardmakers the owners have always participated in the work, but the company has been also managing many employees and assets. The owners then have a free choice of taking dividend and paying tax or enhancing the state of the company by investing in equipment.

In the case of Hardmakers the CEO is also the owner and only holder of stock. The CEO is then directly involved in the success of the company.

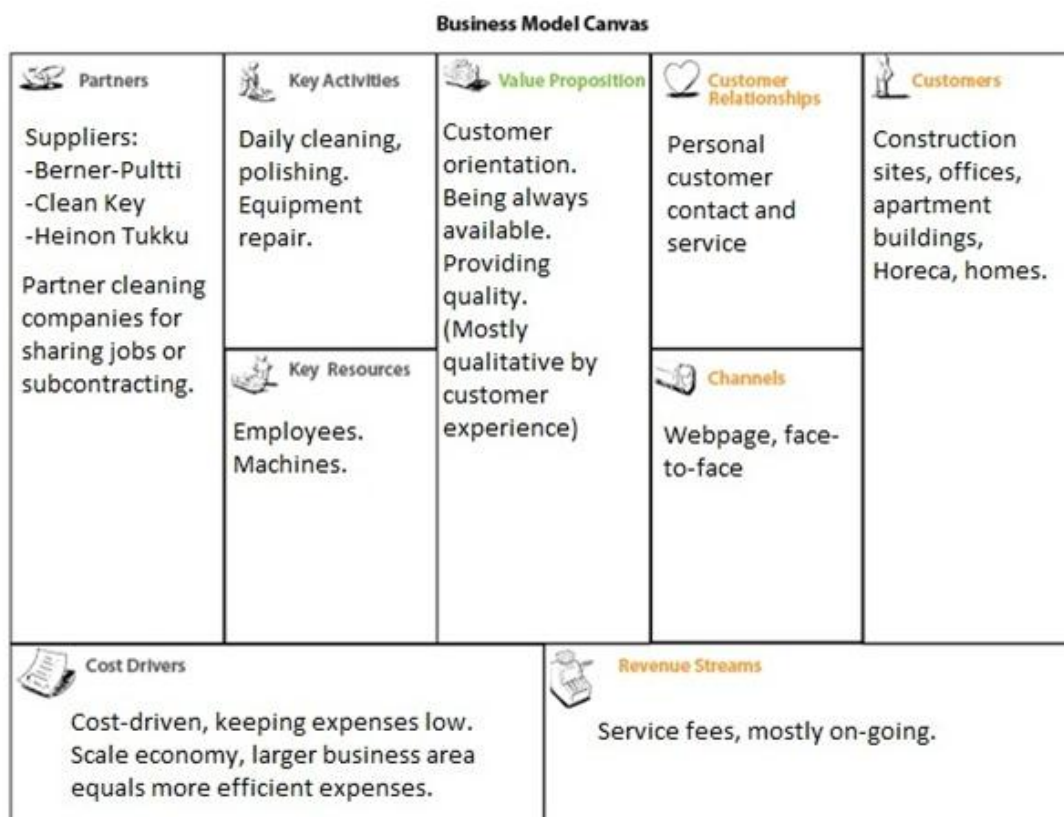


Figure 8. Hardmakers Oy business model canvas. Current state.

The business model explained by Figure 8 describes partners as the suppliers and partner cleaning companies. Suppliers are normally used for product purchases and recommendations. The partner cleaning companies can work both ways, Hardmakers receiving subcontract orders from them or the partner companies doing the job contracts supplied by Hardmakers.

Key activities are in the cleaning business the ability to keep areas clean and polishing them when required. This is mostly for offices. For other areas the key activities are maintaining cleanliness. Hardmakers has the opportunity to include building helpers into its workforce making the construction industry a growing area in the key activities. Equipment repair is a part of the business process, as the machinery needs to be ready for use constantly. Key resources then include the human resources providing the services and the machinery used by the employees.

Value proposition distinguishing Hardmakers from the competitors is the possibility to offer close customer contact. The customer can easily influence the needs they have into direct

actions by Hardmakers. This is made possible by always being available and by being visible to the customer. The customers include construction sites, offices, apartment buildings, schools, hotels, restaurants, and homes. The customer is offered personal service by the phone, e-mail, or at their facilities. The company reaches the customer by internet webpage, phone, or face-to-face contact.

The financial aspect of the company is cost-driven. As the revenues are relatively small, the company makes its profits by keeping expenses low. The economy of the business is such, that the larger the business then the larger the necessary purchases can be and so the price per transaction is smaller than for every transaction separately. The revenues come mostly from service fees that are negotiated to be on-going. The contracts are based on a monthly fee consisting of the hours of work the customer has received. Also separate contracts are made, but on a smaller scale than the monthly contracts.

4.4 Vision, mission and values

4.4.1 Vision

Vision is to make a strong brand of Hardmakers, to make it more known in the area of cleaning services in the greater Helsinki area for businesses that need our services. In the future Hardmakers will be related to high quality services and customer orientated business.

Hardmakers will live up to its name, employees can be proud to add it to their resume. The vision is to wholeheartedly enjoy every day of life and to spread the feeling in to others' lives by helping them to start each day fresh with a smile and scent of cleanliness.

4.4.2 Mission statement

The mission of Hardmakers Oy is to provide a professional cleaning service to companies, to make it enhanced, to create a favoring service to the customer where they would also focus other services later to be provided by Hardmakers Oy.

It is in the foreground of our mind to serve the community as one and honestly have a good time doing it. Hardmakers are the people coming to do their jobs 100%. We hope that even for a moment we can be the ones to do our jobs in such a way that it will have an effect on our life as a whole and in this way have a positive effect on the community.

4.4.3 Values

Values are to have a sustainable company that will serve the community that it is involved in. The company aims to provide services that reach the highest level of quality. We believe that by leading a healthy and balanced life by eating good food, having a clear environment, and managing issues as challenges can make a person happy.

4.5 Strategies

4.5.1 Price leadership

Considering that Hardmakers Oy has been in the field for over 20 years it does not seem logical to be competing only with the price, as then the value of the expertise of the company feels like it is put down. To make a higher turnover for the company, it might be necessary to cut down on some services and to compete with the price as long as the company is as well-known as a fresh start up. In the recent years cleaning prices have gone down (based on Hardmakers offers and billing in the last 10 years compared to the prices offered by competitors now). According to the European Cleaning Journal (Lemmens 2012, 15) this is a trend that has happened in the major part of Europe as well. In 2010 in Denmark the cleaning sector had strikes resulting from the employees not being treated fairly in the amount of labor expected from them for the small amount of pay relatively. After the strikes a Code of Conduct was created for both, the employer and the customer. Now, the offer process cannot follow choosing the least expensive option as it used to go in the past before the strikes.

In Finland, strikes can be considered to be less likely. Still there is a strong campaign currently going on against unpaid taxes and so-called dark labor. This could be compared to the situation happened in Denmark and results should be able to be estimated also. As in Denmark, according to the European Cleaning Journal article, the cleaning companies have a union providing well conducting companies a certificate of quality. A similar quality mark can be attained in Finland. The company should strive to acquire this certificate, which will add value to the brand. The price of the certificate can be expected to be received in the price of services then being able to be offered by the company.

4.5.2 Differentiation

For Hardmakers Oy customer orientation is important, but still considering the expertise of the personnel the company cannot offer everything the customer might need. For example, after fire cleaning or graffiti removal are areas what the company cannot on its own manage.

4.5.3 Focusing

This strategy is probably most used in the cleaning industry as the different segments are easily recognized. There are private customers, offices, housing, construction and outside cleaning done for businesses. Hardmakers Oy would use the strategy of focusing at this moment as it does try to target many different businesses. As time passes and experience increases it will be able to see which segments provide a better profit and which segments should be focused on more. The company increases its value by having many segments where services are provided.

4.6 SWOT

The SWOT chart for Hardmakers Oy shows the main aspects for which to make a strategy, see Figure 9.

| | |
|---|---|
| Strengths <ul style="list-style-type: none"> • Existing positive cash flow. • Management in control, few bad debts. • Good credit rating. • A good reputation. • An established customer base. • After-sales service. • The ability to make quick decisions. • Good motivation and morale. • Good location in Helsinki business area. | Weaknesses <ul style="list-style-type: none"> • Insufficient funds for large scale marketing, full time employees. • Small customer base. • Poor credit control leads to unpredictable cash flow. • Unresponsive attitudes to customer requirements. • A limited or outdated product range. • Complacency and a failure to innovate. • Over-reliance on a few customers. • Failure to delegate and train successors. • Expertise and control locked up in a few key personnel. • Inability to take outside advice. • High staff turnover. • Outdated equipment, high cost production and low productivity. • Inefficient processes. |
| Opportunities <ul style="list-style-type: none"> • Access to potential new customers. | Threats <ul style="list-style-type: none"> • Competitors. • Loss of a significant customer. |

| | |
|---|--|
| <ul style="list-style-type: none"> • Increased sales to existing customers, or new leads gained through them. • Good homepage on the internet. • Quality systems require offered services. • Cleaning services is an expanding business area. • Offers an ecological option. | <ul style="list-style-type: none"> • Price competitive area of business. • Key personnel leaving. • Legal action by a customer. |
|---|--|

Figure 9. SWOT analysis for Hardmakers Oy.

4.6.1 Explaining the strengths

The existing cash flow makes it possible for the company to run and cover its expenses such as employee costs, taxes and accounting costs. All possible future income can be allocated in a similar way as the expenses will get higher as more work is done.

The management is working for the company not for profit, but for enhancing its state so it can provide a stable income for the participants in the future. The credit rating of the company and its shareholders is good and does not show any outstanding debts or tax payments. This is highly important when acquiring new customers. The company has been running for twenty years and has the credibility as it has always done business in a legal and respectable fashion. The reputation of the company already exists on the market. This combined with new management can have a positive influence once building it to a size comparable to its prime.

The established customer base is small, but as the company has had an extensive amount of customers it has a smaller threshold to reconnect with these old partners. At this point is very important to show that the new management is serious and willing to take on all challenges with a positive attitude. When proving that the customer is important the company cannot focus only on sales, but on customer satisfaction.

The ability to make quick decisions is influenced by the small size and low power distance inside the company. To consider this as strength at the point when the company is sized small it must be taken into the plan when the company grows.

The motivation and morale of the people involved in the company currently is possibly the most important strength, as with it all the other factors are made possible. The morale, how-

ever, cannot be taken for granted and the people involved have to be appreciated and encouraged.

The location of the company is not very relevant, as the company has so few customers. But as the customer base grows the company is possibly in the best place in Finland, as the area of Helsinki is the largest in Finland business wise.

4.6.2 Explaining the weaknesses

At the point when the company has a small turnover, providing only enough financial resources to keep it running, it will not be possible to hire outside workforce. For this reason the human resources are limited, as no one can be a full time employee of Hardmakers Oy. Also, the marketing has to be scaled to what the financial resources can provide. Considering that the company has only few customers it is in a vulnerable state being dependent on these customers.

As the company does not have an allocated budget it can cause unpredictable expenses. The budget cannot be made before the predictions of different expenses are made along with the business plan. The few customers being the lifeline of the company, it needs to take every wish into account and keep track of the customers satisfaction, otherwise, it could lead to undesired actions from the customer, possibly even losing them.

Having limited financial resources leads to limited services as well, as the company cannot provide all services it could with full time employees. Innovations also suffer as employees cannot put their full effort into the company. As the company needs most work that it can get at the moment it can also be a weakness to try and provide all of the desired work, as it might be more efficient to turn to outside advice and expertise.

With not a clear process picture the productivity does not get to be most productive when compared with costs. The process management of the company needs to be established and put into its value.

4.6.3 Explaining the opportunities

As new management has changed to the company, Hardmakers Oy can take advantage of this by having a small threshold for contacting potential customers. Customers who have left the services of the company can be contacted with already an established connection from the past. Potential new customers can be found through the old ones, but also through new players in the field where the services are offered.

The website will be a strong reference point for new and existing customers. The company hopes that it will be a place for the customer to get easier access to the services they want from the company. It needs to be kept up to date and have information why the customer would want to come back.

Cleaning is a business that is always needed. It has a wide range of customers and markets. Starting from the typical office cleaning the company can broaden its services to all of indoor cleaning, to outdoor cleaning, to home, car, boat, street, and graffiti cleaning. Also collecting trash is a business that can be connected to the existing service. As a company providing services to the community Hardmakers Oy reflects the willingness to offer a growing opportunity of ecological options.

4.6.4 Explaining the threats

The company is pressured by the competitors who offer the services at lower prices. The company then has to accommodate its expenses and pricing according to competitors. The trend has taken the pricing of cleaning services down in the recent years. Losing a significant customer would be lethal to Hardmakers Oy at the moment, when the expenses caused to run the company are dependent on the income from only a few customers.

The expertise is tied to a few personnel in the company. As a precautionary measure the company would have to prepare for the event of not having these key personnel in its employment. As the customer is the main focus in the service their satisfaction has to be guaranteed. This can be done by training the employee and having some feedback negotiations. In the case that the customer does find some matters not to their liking Hardmakers Oy has to insure itself against larger losses. This could be done by having an adequate insurance covering possible negative situations.

5 Interviews

The research will be conducted by a qualitative method. It will be an interview done to company management of 3 companies. The key issues of the interviews focus on turnover, growth and profitability. The interviews were made by trying to understand how the companies had formed to how they are currently. The interviews begin with open questions made by the interviewer and continue with follow-up questions accordingly. The answers in the interviews have been put to use in making this thesis.

5.1 Avena Siivous Oy, Vantaa.

This company operates in the cleaning service industry. The company has been operating since year 2000. The owner has been in the business for 15 years now. Turnover is around 0,2 million euros including what is paid to the subcontractors. The vision of Avena Siivous Oy is to keep the company at its current size and making the operations more fluent.

The strategy that was revealed about the company was about how they produce customers. They do this by making long contracts and offering special services. They said that the best advertisement is a job well done. The organizational structure has the owner doing temporary replacements and some of the jobs. Other jobs go to a changing group of employees and subcontractors. The main requirement mentioned about the workers is that they should be trustworthy. The owner can then focus on marketing and sales. The marketing is done mostly through word of mouth. The new customers come through the recommendations of a satisfied existing one. The owner also calls up potential customers to set up meetings.

As a motto for Avena Siivous Oy is mentioned three things; quality control by keeping high standards, keeping contact with customers, and improving work methods. Another thing mentioned was the idea that all jobs that are done are important as any one of them can lead to a new and perhaps big job in the future.

5.2 Rex Partners Oy, Espoo.

This company operating from Espoo is a 10 year old privately owned company. They specialize in licensing computer programs. The turnover is currently around 0,5 million euros. The vision they have is to continue growing internationally. They are otherwise uncertain about the future as they are waiting on decisions from outside the company. So, at the moment they are waiting and then re-evaluating the situation on how to proceed with the future.

The strategy that the company follows is to make new innovations actively. They have changed a part of their strategy by realization of a less succeeding one. Before they made a product and started to market it, now they see as a much better solution to fill the needs of existing customers. The company is operated by the owner, who is the CEO and has the expertise to replace any of the employees if needed. The company has positions to cover sales marketing, product research and technical help. Other processes are outsourced. Rex Partners Oy started with 3 employees and has now grown to employing 10.

Marketing they make almost completely online. The company uses internet advertising, search engine optimization and blogs. As they are a software company and target customers

globally, they see best results coming from online where their customers would most likely search for them. As a motto of the company honesty is mentioned, trying the best you can, and constant improving are roughly the road they have followed to their current success. The growth that happens is said to take patience and satisfied customers as a reference.

Using open source programs was recommended by the owner of Rex Partners Oy. Examples were given of CRM, webstore, and graphical design sites where the prices are cut to a minimum. As a CRM program was mentioned Sugar CRM, which is meant to be an affordable and simple tool for customer relationship management. Avangate.com is a webstore provider in case there is a need for a good solution in this field. 99designs.com was mentioned as a graphical design website with the idea of having many designers competing for the customers.

5.3 Farnell Oy, Helsinki.

This company operates in B2B and is specialized in importing electronics components to Finnish industry. Company headquarters is in Leeds England and the operations in Finland started 20 years ago. Farnell is a wide band distributor with over 500000 stocked items and over 2000 active customers per month. The number of employees has varied from starting with 7 people, increasing to 14 at most and being 5 people at present. The company as a whole has over 4000 employees and a turnover of 800M£. The turnover in Finland started moderately and has shown a steady growth with only a small decline on the last regression in 2009. The turnover has grown in Finland to be about 10 million euros.

The vision of the company overall is to be one of the leading electronics distributors with a wide range of products and a growing number of services beyond products. The strategy includes four key elements, which are internationalization, eCommerce, concentrating on electronics design engineers and to maintain the important and profitable business on maintenance, repair and operations. The organization in Finland consists of the sales manager, two people in a business call center, one in telesales and one in accounts. The sales manager is responsible of the Finland business and reports to the northern regional director, who is based in Denmark.

The marketing division is widely spread in different countries in Europe and the responsibilities are based on operations rather than geographic locations. The base elements on marketing are the web advertising, search engine optimization, direct marketing by emailing the news and contacting customers by phone around continuing and one off campaigns. The company is using a commercial web based CRM program 'Sales Force' as their sales and marketing tool. In addition the company makes advertising agreements with electronic magazines and sends out small catalogues and leaflets by post. Majority of the orders are coming through the

website. Online orders are 68% of all orders and the target for the coming year is 75%. The competition situation varies between countries, being also in Finland more and more important as with the globalization some US based big distributors have gained significant market share in Europe.

6 New plan

6.1 Organizational plan

In the organization currently all the management tasks are done by the CEO. Only the cleaning jobs are made by the employees. Accounting is outsourced. The back-up employees are needed for sick leaves and when the CEO cannot find time to do the necessary jobs in case of a surprising event.

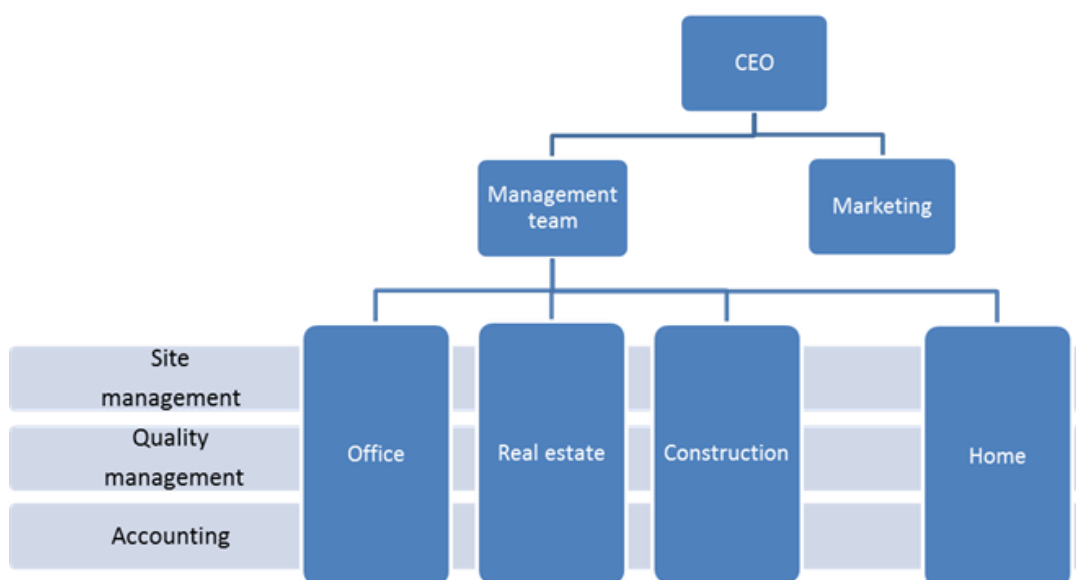


Figure 10. Organization chart for Hardmakers Oy.

In Figure 10 is the planned organization chart. Here the employees are part of the management team and still leaving important decisions to the CEO. When implementing change in the company the employees involved in each process can bring ideas and suggestions to be discussed. It can be considered fruitful to involve the employees in a larger area of the company's processes than the daily tasks of cleaning, as then their ideas can give fresh viewpoints to the discussed cases.

The organization can mainly be divided to the departments shown in Figure 10. The departments of office, real estate and construction are all related by site and quality management and financing. The departments should function together without barriers to ease in decision

making and finances. The internal communication is important to not leave any part of the team out of the decision making, this way also external communication can be unified. Still the levels of management are simple as all employees can be in contact with each other. The responsible areas can be distributed so the important areas are not only the job of the CEO. This enables flexibility in people being able to cover each other's work on short notice.

6.2 Business model

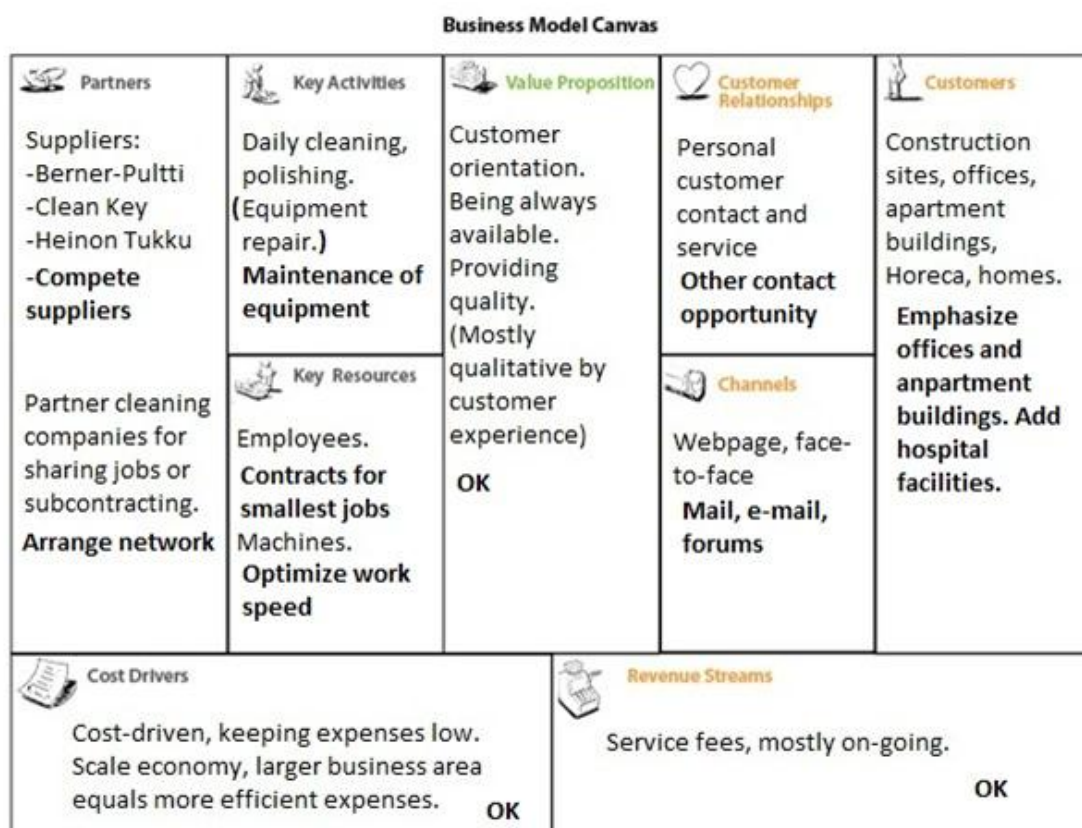


Figure 11. New business model canvas for Hardmakers Oy

Changes in the business model can be made by adding to the canvas in Figure 8. In the section of partners the suppliers are fairly good in relation to the services needed, but they have not been compared to suppliers for example internationally. Also, the cleaning companies Hardmakers has had partnerships are a changing crowd, which come and, so rather they can be a growing network of companies. Key activities section has equipment repair, which can be changed to equipment maintenance by addressing equipment problems ongoing. Key resources are the employees, for them it would be smart to make working contracts for even one-time jobs. The other key resources are the machines, these can be optimized for each work and the realized excess of machines should be liquidized rather than keeping in long-time storage. Value proposition is good for now.

Customer relationships need to be enhanced as the only contact now is made by phone. Some customers may not feel comfortable to call about each thing on their mind, so it would be good to have some form of easier approach for the customers. Channels of marketing need to be broadened. Immediately they can be doubled by adding mail, email and appropriate forums where marketing is made. Customers can be emphasized to offices and apartment buildings, as they require relatively little amount of starting capital. Hospital facilities should be added to the customers. Otherwise the revenue stream and cost drivers are fine for now.

6.3 Marketing plan

6.3.1 Markets

In the area of cleaning service the company can focus on a majority of markets. Most of the markets in cleaning can be managed with the same employees and materials. For Hardmakers Oy the main markets are office, real estate, HoReCa (hotel, restaurant, and cafeteria), construction site and home cleaning services. In niche markets such as graffiti removals Hardmakers Oy does not have the right equipment and expertise to compete, so it has to be evaluated if the niche markets are reasonable to enter and what measures need to be undertaken before doing so.

For the options of marketing it can be considered that the four Ps concept (see page 17) is applicable. As the consumer is mostly businesses, but the type of business varies in each market. Offices have different needs than real estate companies and construction sites need a different service than Horecas. Also, homes have their own needs. So, this would make it reasonable to have a specific marketing approach for the different markets.

For customer needs offices have to keep an environment where their own work is enjoyable and possible to do. From the point of view of a cleaning services company this requires that their premises are clean and organized. The customer is always individualistic and may need different services, but mostly they would need daily or at least weekly cleaning of their premises, which includes wiping dusts and floors, taking out the trash and washing dishes. The cost has to take into account the cost of an employee, materials and chemicals, and the management. The easiest way to display the costs is by hourly charging.

Communication between the company and the customer begins at advertising. The company has to make sure to communicate effectively that they are reliable and can handle the everyday tasks needed by the customer. Offices can be marketed to directly by sending mail or calling them. Also, internet advertising is an effective way to reach office decision makers. The best approach can be through connections and a network of mutual associates. The rela-

tions with offices are fairly easy to manage, as they see service they are paying for daily and if there are some complaints, which is normal, the management or customer service has to be easily accessible.

Convenience for the customer to find and communicate with the service providers is essential in meeting the minimum expectations. Cleaning services are such that the providers do not differ from each other very much, so the convenience in dealing with the providers does come important. Convenience can be done by being absolutely open about the product and communication. As office decision makers have many things to take care of and dealing with the cleaning services is rarely a mentionable part of their work description it needs to be handled as effortlessly as possible.

Other markets are the so called Horeca (Hotels, restaurants and cafeterias) places. They can be found throughout town, but are challenging to approach. The best option to find new customers in this field is to get contact with the managers. To be able to have contact with them the break into the field has to start from somewhere else, preferably from existing contacts, friends for example.

One new market for the company is construction site cleaning services. They are best approached by contacting the managers on site and introducing the company and offering to make a specific offer for their site. Contacting all new construction sites can open opportunities for jobs. Calling and setting up meetings with people in charge of these projects is one way of approaching. Using existing contacts to find new places to offer services to is a good way to learn about new constructions and the how the industry is doing in general. Important is to reach the building supervisors who would order the jobs. According to experienced construction site cleaners this would offer the opportunity to get new jobs through the supervisor and changing location with them.

For home cleaning the company must have trustworthy employees as they enter people's private lives. To find them the company can either outsource to existing successful home cleaners or evaluate employees that work for the company. In the beginning it is more viable to outsource to existing home cleaners. The company has contacts with workers of the Helsinki city elderly care service people, who have experience in being at people's homes and realize how to best service them. To approach the market of homes it would be most simple to create a promotional letter to distribute to certain areas at a time. This is also an easy way to keep costs at a desired level and the effect can be seen directly, out of how many letters a sold is made. The letter can then be modified after some customer specific data can be identified. For example, people living in certain areas or types of houses probably have different

interests. In the home market the company can be very customer oriented and specific on their needs.

6.3.2 Psychological marketing

Naming products or services will make it simple to market and easier for the customer to approach the company. The name has to be descriptive as it might be the first view of the service. The company Hardmakers Oy has registered another working name Clinoco, which should be considered to be the name displayed to the public. As the company does a lot of spoken marketing, Clinoco is considered easier to understand than Hardmakers, Both of them have strong letters to make the name memorable, but Hardmakers is sometimes mistaken for "Hidemakers". Also Clinoco describes the area of business in a single word association.

Connected to the name Clinoco, the company can produce a range of service packages arranged by the field that they are targeted for. The service packages can include packages of high end to medium end in the different market areas. In the case of making different end service packages the minimum expectations should not be forgotten. As Figure 7 in theory of psychological marketing shows, there is least amount of competition area in terms of quality. The most competition area is in technical specifications and speed of delivery. The technical specifications could be met in the growing want of environmentally friendly services by using special products in the cleaning services. Speed of delivery can be addressed, but at this moment other companies can probably cover that better as all Hardmakers employees don't have driver's licenses and the company cannot provide transport.

Cleaning services are product based models, meaning they are sold to a need of the service rather than creating a need. For this reason the essentials of the service are most important to most consumers and other factors than the quality and price, are not so important. In a product based model a good product always sells, this was confirmed in the interviews by the entrepreneurs who stated that the best advertisement is a satisfied customer. The challenge is then in the initial marketing and getting the first group of customers from where the company can become more known and appreciated.

6.3.3 Implementing change

It can be challenging to take new solutions to use. The company in question has to first decide what needs to be changed and how. When the question of what needs change and how it will be conquered is clear, the actual challenge comes by getting this solution into everyday business life. The process of action research should help in this case. When the solution is taken from theory to practice it has to be analyzed. Based on the analysis the company can realize what issues are working and what still need to be enhanced. The best way is to keep

communication open inside the company. And by implementing action research the company can keep using the process to conquer future issues regarding growth problems and the fluidity of the work process.

6.4 Strategy

To reach the vision a complete strategy will be formed including having sales promoters, reviewing the suppliers, enhancing the expertise, creating a fluent system of circulating employees with different targets, applying a quality certificate, updating the website and client base.

For the construction industry a process for each site should be undertaken. Making a database containing a growing list of possible customers will ease the process and enables a more efficient approach. The list can then have small details of each site. After establishing a site, the marketing can start by directly approaching them or setting up a meeting over the phone. First the construction site would need cleaners for their containers. Only after some months of the construction period can the cleaners move to the construction. Then they can help keep the site organized inside the building. Usually the building outside is done by machines, so the cleaning process there does not involve the cleaners directly. Hardmakers can also look into the possibility of renting the cleaners as construction help, as they need to have the work safety card regardless and for that reason the cleaners often have experience also working as building helpers. The final phase of the construction is the end cleaning, which is the largest operation from the cleaning perspective. For this there is a separate bidding process, where the construction site chooses the best alternative. Hardmakers has to be actively involved in order to get the job.

Enhancing growth requires training the staff continuously. For example Hygienic-pass, Work safety-card and motivational events are part of this. According to the European Cleaning Journal (Sjouwerman 2012, 13) a major contributing factor to sick leaves is pain and pain related to fear of movement. A study was done to evaluate the effect of having a group of cleaners working out as opposed to a group working the same and not working out, concluded that the cleaners muscle strength and coordination skills improved by about 20 percent and the fear of movement reduced by about 16 percent resulting in less work related stress and preventing burn-outs in a field of work prone to have it. The results suggested that physical work becomes easier when you are stronger.

As the company is small and each customer is different, it is possible to treat them individually with very specific approach. The company has to find what matters are most important with each customer and focus on them. To find the specific points to deal with should not

overlook the main aspect of the company and they should be done to bring more value to the core services.

Each customer needs to have an account in the company database. This will make it easier and more fluent to see how the affairs are evolving. The database should also make it easier to realize what the customer needs at which time and what services to provide to them currently, to see what has been done for them in the past and how to evolve that in the future. The database also helps to market new services to the existing customers and to create a systematical approach to each new and existing customer.

The company has to make a database of employees as well. As the field has a lot of foreigners working for it, the tax officials or immigration services might be interested at any given time to find out how the company looks after the necessary documentation. The database can also serve as a backup list of employees in case the active employees have sudden incidents of not being able to make it to the worksite. Also the management should be implemented to the database.

Electronic invoicing is an aspect where the company could improve. It is done through a service provider, who safely delivers the invoice to the client wirelessly. The benefits can be seen in security, with traceable and quick invoices. Also, the environment benefits from electronic invoicing by less paper delivered.

HILMA (hankintailmoitukset), a database of purchase orders for the public sector. New jobs are most important for the future of the company. In Finland, and also in Europe according to legislation, most publicly funded jobs need to be advertised openly for free competition to be possible. In Finland the jobs and acquisitions of cities are available online at hankintailmoitukset.fi. Hardmakers Oy should make a ready template to target these publicly announced jobs. As the legislation requires, the competition is strictly guided and the offers need to follow a thorough guideline, so the template of the public jobs is then also ready to be used in private offers when needed.

6.4.1 Options of markets to enter

The company has a level of expertise currently. How to take the expertise to a wide amount of customers? The best option currently is learning by doing. The company can enter new markets with the help of employees who have expertise in the specific fields. The experience of operating in a dentist can be taken to use by approaching new and existing dentists' offices and offering them the same services already provided elsewhere.

The situation currently with finances is such that all expenses of the company can be paid with the sales made. The company has small debts, for which a payment plan has been agreed. The sales are long term contracts paid by a monthly fee. With the profits from these sales the company can calculate what kind of purchases it is possible to make. Hiring a marketing representative can be done for a short period monthly. After the first contracts, the representative can be hired for longer periods.

Most equipment are ready and working for the jobs that will come in the future. The equipment that is not working needs to be fixed one at a time or disposed of to save space in warehousing and getting efficient with the renewable materials. Hardmakers has to find supply stores offering the needed products for a reasonable price and quick delivery. This enables fast response to new contracts. Enhancing the process can be done by having a full storage at each customer location.

7 Conclusion

The company in its current state after changing the management has come to a new beginning. It is a point where complete shifts in leadership are happening due to the amount of work and commitment. The leadership has to be strong at the moment to implement changes. The changes need to be whole by taking in to account the complete organizational structure and everyone involved.

The management is the lifeline of the business currently and the main strength is the willingness to work hard to achieve results. Resources the company has are enough to keep it afloat and to implement the needed organizational changes. The organization has to be set up in a fashionable manner to make it ready for the challenges in the future. The shift towards the organization described in chapter 6.1 should be implemented directly, so when new employees are introduced to the company they can already begin with a working environment.

To move forward from the company's current situation requires the organizational changes. Then the customers and jobs can be functionally addressed. The strategic approach explained in chapter 6.4 can be implemented without any special needs at the moment. The main change in the company internally is the organizational approach. Externally the marketing should improve in order to get the needed new customers. The markets have to be contacted in four segments. Each segment can be approached simultaneously through the website and separately through direct marketing. The ways in which the customer contact is made is one of the needed changes, as currently the contact is only through the phone.

In chapter 6.4 Strategy, the motivation of employees is one aspect where the cost-drivers of the company can come to use. The employees must be motivated for costs to be kept down, as salaries are the biggest expense of the service company.

To move through the described changes are the beginning of making the case company Hard-makers Oy succeed. In the future the idea of action research needs to be taken to use and continuously enhance the work processes that can be identified. Then also individual projects can be made better by using the process of benchmarking explained in chapter 3.3. By following these practices the company should not have obstacles, but challenges and through them a positive growth.

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Figures

Figure 1. Official Statistics of Finland (OSF): Turnover of service industries [e-publication]. ISSN=1799-0998. September 2011, Appendix figure 1. Turnover of service industries, trend series (TOL 2008) . Helsinki: Statistics Finland. Retrieved 1.1.2012.

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Figure 2. Case study research phases (Ojasalo 2009, 54).

Figure 3. Canvas introduced in book by Osterwalder, A. 2010. Picture retrieved online from address:

<http://www.lumosforbusiness.com/uploads/images/image/23/businessmodelcanvas.jpg>

Figure 4. Benchmarking process (Karlöf 1993).

Figure 5. SWOT Analysis.

Figure 6. Selling a product by Product based model or by People based model. (Rope 2003, 354).

Figure 7. Competition area defined by minimum expectations and ideal expectations. (Rope 2003, 353).

Figure 8. Canvas in Figure 2 filled.

Figure 9. SWOT Analysis for Hardmakers Oy.

Figure 10. Organizational chart.

Figure 11. Canvas in Figure 8 edited.